SUPREME COURT, U.S.
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No. 01-556

IN THE

Supreme Court of the United States

DANIEL S. DeCARLO,

Petitioner,

v.

ARCHIE COMIC PUBLICATIONS, INC.,

Respondent.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

BRIEF IN OPPOSITION

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QUESTION PRESENTED

Whether Petitioner's First Cause of Action requesting a declaratory judgment that he owns certain graphically-depicted comic book characters is properly construed as a claim of copyright ownership arising under federal law.

STATEMENT PURSUANT TO RULE 29.6

Archie Comic Publications, Inc. has no parent corporation and no publicly held corporation owns 10% or more of its stock.

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STATUTORY PROVISIONS

Section 102(a) of the Copyright Act, 17 U.S.C. § 102(a) (2001), provides:

> Copyright protection subsists, in accordance with this title, in original works of authorship fixed in any tangible medium of expression, now known or later developed, from which they can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device. Works of authorship include the following categories:
>
> (1) literary works;
> (2) musical works, including any accompanying words;
> (3) dramatic works, including any accompanying music;
> (4) pantomimes and choreographic works;
> (5) pictorial, graphic, and sculptural works;
> (6) motion pictures and other audiovisual works;
> (7) sound recordings; and
> (8) architectural works.

Section 301(a) of the Copyright Act, 17 U.S.C. § 301(a) (2001), provides:

> On and after January 1, 1978, all legal or equitable rights that are equivalent to any of the exclusive rights within the general scope of copyright as specified by section 106 in works of authorship that are fixed in a tangible medium of expression and come within the subject matter of copyright

as specified by sections 102 and 103, whether created before or after that date and whether published or unpublished, are governed exclusively by this title. Thereafter, no person is entitled to any such right or equivalent right in any such work under the common law or statutes of any State.

INTRODUCTION AND SUMMARY OF THE ARGUMENT

The Petition misstates the question presented by this case. This case is not about the preemption of common law property rights in the "intangible characteristics and personalities of original literary and cartoon characters." *Petition* at i. The question raised by Petitioner's complaint and the decisions below is whether Petitioner's First Cause of Action is properly construed as a claim of copyright ownership in graphically-depicted comic book characters. Petitioner's "basic claim" is not "breach of contract," as he asserts in the Petition. *Id.* at 6. His basic claim is his request for a declaratory judgment that he owns the Josie, Melody and Pepper comic book characters. [A-6–A-7].[1]

Petitioner's First Cause of Action asserts that Petitioner owns the characters because he fixed (*i.e.* drew) them in a tangible medium of expression, comic strips. It does not assert ownership of aspects of the characters that are beyond the scope of copyright, such as the intangible "ideas" behind

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1. References in the format "[A-__]" or "[B-__]" are to the opinions of the Second Circuit and District Court, respectively, in the Appendix to the Petition. References in the format "[Record __]" are to the Joint Appendix filed on appeal to the Second Circuit.

them or their names. It does not assert ownership of the characters' "personalities" separate from their graphic depictions. The Second Circuit thus correctly concluded that the First Cause of Action "on its face, raised a federal copyright issue." [A-5].

Since 1940, the Circuit Courts that have addressed the issue have been unanimous in holding that graphically-depicted comic book characters fall within the scope of copyright so long as they are delineated with sufficient particularity. Thus, the holding in the Second Circuit's unpublished Second Summary Order that comic book characters are copyrightable involves no novel proposition of law.

The confusion noted in the Petition as to the copyrightability of characters, and the differences in approach between the Second and Ninth Circuits, arise in connection with literary and live-action film characters, not comic book characters. The copyright issues raised by these characters are qualitatively different from the issues raised by graphically-depicted comic book characters, as to which the Courts of Appeals are in harmony. A decision in this case, therefore, will not reduce the confusion noted in the Petition or resolve a conflict between the Circuit Courts.

During the proceedings below, Petitioner relied on *Fisher v. Star Co.*, 132 N.E. 133 (N.Y. 1921), in support of his assertion that his ownership claim arises under New York law. [A-5; B-9–B-11]. The District and Circuit Courts correctly found that *Fisher* established a passing off claim, not a property interest arising from a cartoonist's creation of comic book characters. *Id.* Petitioner continues to argue, without citation to any authority, that New York's common

law confers a property right in the "intangible attributes" of comic book characters as they "exist in the creator's imagination and memory." *Petition at 14*. However, there is no basis in New York law for such a right.

Moreover, Petitioner's complaint cannot reasonably be construed as asserting an ownership interest in the "personalities" of the characters to the exclusion of their graphic depictions. Thus, although the term "copyright" does not appear in the complaint, the courts below correctly concluded that the First Cause of Action, by its very nature as pled, asserts a property interest that is a creature of federal copyright law. Application of the artful pleading doctrine to construe Petitioner's First Cause of Action as asserting a claim of copyright ownership is consistent with the well-pleaded complaint and master of the complaint rules, and does not merit this Court's attention.

STATEMENT OF FACTS

The parties dispute the circumstances surrounding the creation of the Josie, Melody and Pepper characters, as well as the later incarnation of Josie and Melody as members of the cartoon band, Josie and the Pussycats. Petitioner claims that he first drew the characters in *Josie* comic strips that he created on his own in the mid-1950s. *Petition* at 4. Respondent claims that the original *Josie* comic strips in which the characters were created were prepared later, at its instigation, as works-for-hire, and that further development of the characters occurred in comic book stories that it commissioned from its writers and assigned to Petitioner and other artists to illustrate, also as works-for-hire. [A-2; B-16; Record 136–39]. It is undisputed that, for nearly forty years, Respondent has conducted itself as the sole owner of all rights

in the characters, and has used and licensed third parties to use them for a wide variety of goods including comic books, dolls, animated television cartoons and other merchandise. [A-3, A-7–A-8, B-19, B-22–B-25]. Most recently Respondent licensed Universal City Studios, Inc. to produce a Josie and the Pussycats live-action movie. [Record 150].

Respondent disputes a number of the assertions contained in Petitioner's Statement of Facts. However, as these are not germane to the issues raised by the Petition, they will not be addressed.

STATEMENT OF THE CASE

The Prayer for Relief for Petitioner's First Cause of Action requests, *inter alia*, a declaratory judgment that Petitioner "is the sole owner of the comic book characters Josie, Melody and Pepper, and has the exclusive right to use or license same for purposes other than comic strips and comic books." [Record 31-32]. The complaint does not identify the legal theory underpinning the First Cause of Action. [B-8]. However, it alleges, *inter alia*, that:

- In the mid-1950s, Petitioner DeCarlo "began developing a new female comic book character he would eventually call 'Josie.' " ¶5.

- "During this creative process," DeCarlo's wife "came home . . . wearing her hair in a new style . . . and the Josie comic book character's unique bouffant hairstyle was born. . . . Later, her appearance in a costume as a spotted cat . . . inspired Mr. DeCarlo's development of the Josie character's appearance as a 'pussycat'." ¶6.

- "[I]n or about 1961 . . . DeCarlo showed a Josie strip, including 'Melody' and 'Pepper,' two other characters he had independently created, to Archie Comics' Richard Goldwater." ¶9.

- "Richard Goldwater and his father, . . . an Archie Comics principal, decided to and did publish the first Josie comic book, *She's Josie*, in 1963." ¶11.

- "As compensation for his creative work and pencil drawings of *She's Josie*, Dan DeCarlo was paid a flat page-rate of $23 per page." ¶12.

- "Archie Comics continued to compensate Mr. DeCarlo on a page-rate basis for all drawings he prepared in connection with the Josie comic books." ¶13.

- "Archie Comics has licensed or otherwise used the plaintiff's comic book characters 'Josie,' 'Melody' and 'Pepper' . . . for purposes other than comic strips and comic books, including dolls, recordings, animated cartoons and live-action motion pictures based on plaintiff DeCarlo's said comic book characters, all without plaintiff's consent." ¶20.

- "[U]nless enjoined . . . defendant intends to continue . . . to wrongfully use and otherwise profit from plaintiff's creation of the Josie, Melody and Pepper characters, as well as from works derived from their creation." ¶22.

[Record 17-33].

The Second Circuit concluded from these allegations and the prayer for relief that the First Cause of Action arises under the Copyright Act because, "on its face, DeCarlo's claim is based on his allegation that he created and authored the Josie characters, and therefore owns the rights to them." [A-7].

Petitioner's Second through Fifth Causes of Action assert state law claims for breach of contract and fiduciary duty. [B-19]. The District Court exercised supplemental jurisdiction over these claims [B-16] and granted summary judgment to Respondent on equitable estoppel grounds. [B-21, B-25–B-26]. The Court of Appeals affirmed. [A-8].

In holding that the complaint asserts a claim that arises under the Copyright Act, the District and Circuit Courts relied solely on the First Cause of Action — which asserts ownership based on authorship. [A-8; B-16]. The breach of contract and other state law claims contained in the Second through Fifth Causes of Action played no part in the lower courts' exercise of jurisdiction. [*Id.*; B-9 n.20].

THE FIRST CAUSE OF ACTION ASSERTS THAT PETITIONER OWNS GRAPHICALLY-DEPICTED CHARACTERS FIXED IN A TANGIBLE MEDIUM OF EXPRESSION

Petitioner argues that the ownership interest asserted in his First Cause of Action refers only to "*intangible attributes* of cartoon characters — specifically (a) *names*, (b) *personalities*, (c) *mannerisms*, (d) *style* or (e) '*look*' — that are not protectable under federal copyright law, but are property rights enforceable under state law." *Petition* at 7 (italics in original). He concedes that "the drawings of cartoon characters and written word descriptions of their special qualities (e.g. 'Superman') *can* be

copyrighted," but asks "what about their intangible attributes — personalities, mannerisms, style, and 'look' that exist in the creator's imagination and memory?" *Id.* at 14. However, Petitioner's complaint cannot reasonably be construed as asserting ownership over what exists in his imagination to the exclusion of what he has rendered on paper.

The complaint does not make any reference to "intangible attributes." It speaks of "comic strip[s]", "comic books" and "pencil drawings" featuring the characters. [Record 20-21]. While the Petition classifies the "mannerisms," "look" and "style" of the characters as "intangible attributes," the complaint alleges that the characters' likenesses, including Josie's trademark hairstyle and pussycat costume, were tangibly rendered in the drawings Petitioner prepared, that he owns them and that he has the right to control the preparation of derivative works based on them. [Record 19-23]. The complaint specifically objects to Respondent's licensing of the characters for dolls and animated cartoons, uses that clearly implicate their graphic likenesses. [Record 22]. Thus, Petitioner

> does not claim ownership of the "general theme" or "idea" of a trio of female friends who have a rock and roll band. He claims ownership of the original unpublished renderings of the characters, including Josie's "unique bouffant hairstyle," as well as the spotted cat costume that inspired the development of the character's appearance as a "pussycat," and the right to make derivative works based on those renderings.

[B-15].

Petitioner's argument seems to be premised on the fact that a character's appearance can be fixed in a tangible medium of expression and yet still exist in its "creator's imagination and memory." *Petition* at 14. From a metaphysical point of view, any creation that is fixed in a tangible medium of expression can simultaneously exist in identical intangible form in the mind and memory of its author. However, once a creation is fixed in a tangible medium of expression — as were the "mannerisms," "look" and "style" of the Josie, Melody and Pepper characters — it is protected by copyright. 17 U.S.C. §§ 102(a), 301(a).

Petitioner's Statement of Facts confirms the Second Circuit's construction of the complaint. Petitioner claims that he "began experimenting with the creation of his own comic strips, one of which featured a teenage cartoon character he called 'Josie' after his wife"; that he submitted the "comic strip" to a syndicate without success; that "he showed his Josie strip to Archie Comics' Richard Goldwater"; that they submitted the strip to a syndicate, again without success; and that Respondent then "decided to published Josie as a comic book and engaged Mr. DeCarlo to prepare the drawings." *Petition* at 4. On the basis of these alleged events, Petitioner asserts an ownership right that would give him control over the exploitation of the characters' likenesses and the right to prepare "future artistic works" incorporating them. *Petition* at 6, 8. The courts below correctly held that this ownership right is copyright.

THERE IS NO CONFLICT AMONG THE CIRCUITS AS TO THE COPYRIGHTABILITY OF CARTOON CHARACTERS

The Petition asserts that there is a conflict between the Second and Ninth Circuits as to the copyrightability of "fictional characters." *Petition* at 9. However, there is no conflict or confusion as to the copyrightability of comic book characters, only literary and live-action film characters which are not at issue here. Both the Second and Ninth Circuits extend copyright protection to sufficiently-delineated comic book characters. *See Warner Bros., Inc. v. American Broadcasting Cos.*, 720 F.2d 231, 235, 240 (2d Cir. 1983); *Walt Disney Prods. v. Air Pirates*, 581 F.2d 751, 755 (9th Cir. 1978); *Detective Comics, Inc. v. Bruns Publications, Inc.*, 111 F.2d 432 (2d Cir. 1940); *see also Olson v. National Broadcasting Co.*, 855 F.2d 1446, 1452 (9th Cir. 1988). The D.C. Circuit has also afforded copyright protection to the graphic likenesses of comic book characters. *Walt Disney Co. v. Powell*, 897 F.2d 565 (D.C. Cir. 1990). Respondent is not aware of any Circuit Court decision holding that comic book characters are *per se* uncopyrightable.

The confusion as to character copyrightability noted in the Petition is in the area of literary and live-action film characters which are analytically distinct from comic book characters and raise more complex issues. As noted by the Ninth Circuit, "literary characters may embody little more than an unprotected idea." *Air Pirates*, 581 F.2d at 755. Because "[l]iterary characters are abstractions which can be seen not with the eyes but with the mind . . . , the distinction between protectible expression and unprotectible idea has proven to be particularly elusive concerning literary characters." Leslie A. Kurtz, *The Independent Legal Lives*

of Fictional Characters, 1986 Wis. L. Rev. 429, 451 (1986). This difficulty led the Ninth Circuit to hold in the "Sam Spade" case that literary characters are "not within the area of the protection afforded by copyright" unless "the character really constitutes the story being told." *Warner Bros. Pictures, Inc. v. Columbia Broadcasting System, Inc.*, 216 F.2d 945, 950 (9th Cir. 1954) ("Warner Bros."); *see Air Pirates*, 581 F.2d at 755.

However, the Ninth Circuit has also held that "comic book characters . . . are distinguishable from literary characters." *Air Pirates*, 581 F.2d at 755. A comic book character "has physical as well as conceptual qualities." *Id.* Therefore, the "unique elements of expression" that define comic book characters can be identified with relative ease. *Id.* For this reason, the Ninth Circuit in *Air Pirates* held that the restrictive language in *Warner Bros.* does not preclude protection of comic book characters and that it "need not endorse the district court's conclusion that Disney's characters fell within the *Warner Brothers* exception for characters who 'really constitute' the story" in order to find the characters protectible. *Id.* at 755 n.11. *See also Olson*, 855 F.2d at 1452 ("[C]ases subsequent to *Warner Bros.* have allowed copyright protection for characters who are especially distinctive. For example, cartoon characters may be afforded copyright protection notwithstanding *Warner Bros.*").

As noted in the Petition, courts in the Ninth Circuit are struggling to reconcile *Warner Bros.* and *Air Pirates*. However, that struggle has no bearing on this case. Under *Air Pirates*, the Josie, Melody and Pepper characters would be subject to copyright protection in the Ninth Circuit just as they are in the Second Circuit.

Anderson v. Stallone is cited in the Petition for the proposition that the standard to be applied in determining when a character may be afforded copyright protection is "fraught with difficulty." *Petition* at 6. *See Anderson v. Stallone*, Case No. 87-0592 (Gx), 1989 U.S. Dist. LEXIS 11109 (C.D. Cal. Apr. 25, 1989). However, *Anderson* involved live-action film characters, not comic book characters. Like literary characters, live-action film characters present analytic difficulties that are not presented by graphically-depicted comic book characters because their visual depiction may not be an original element of expression that is uniquely associated with the character. Although the Ninth Circuit has stated that "copyright protection may be afforded to characters visually depicted in a television series or a movie," it has not clearly articulated the standard that should be applied in such cases. *Olson*, 855 F.2d at 1452. *Air Pirates* did not rule on the continued viability of *Warner Bros.* with respect to non-comic book characters. *Air Pirates*, 581 F.2d at 755. However, since *Air Pirates* and *Olson* could be read as "cast[ing] doubt on the reasoning and implicitly limiting the holding of the Sam Spade case," the *Anderson* court was left uncertain as to what standard should be applied to film characters. *Anderson*, 1989 U.S. Dist. LEXIS 11109 at *17. It concluded that, under *Air Pirates*, the less restrictive "sufficient delineation" test that was developed in the Second Circuit should govern the copyrightability of film characters and that "the more restrictive 'story being told test' is inapplicable." *Id.* at *20. However, "out of an abundance of caution," the court determined the protectibility of the film characters at issue under both tests. *Id.*

Anderson merely reflects the uncertainty in the Ninth Circuit as to how *Air Pirates* affects the viability of *Warner*

Bros. outside the realm of comic book characters.[2] However, the copyrightability of non-comic book characters was not raised by Petitioner's complaint, was not addressed by the District or Circuit Courts below and is not before this Court on this Petition.[3]

Likewise, the question of whether *Air Pirates* represents a retreat from W*arner Bros.*, a limitation of *Warner Bros.* to literary characters or an application of *Warner Bros.* (on the theory that *Air Pirates* implicitly found that well-delineated comic book characters necessarily constitute "the story being told") is not raised by Petitioner's complaint. No matter how the Ninth Circuit ultimately deals with *Warner Bros.*, the Ninth and Second Circuits are in accord that sufficiently delineated comic book characters are protected by copyright. Therefore, the Second Circuit's decision below is not in conflict with the holdings of the Ninth Circuit.

Moreover, contrary to Petitioner's argument, application of copyright law to comic book characters does not discourage creativity by stripping authors of the right to use

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2. *Rice v. Fox Broadcasting Co.*, 148 F. Supp. 2d 1029 (C.D. Cal. 2001), cited in the Petition at 13-14, also involved a copyright claim in a film character. While the *Rice* court's analysis bespeaks of confusion, the issue with which it struggled — the copyrightability of a film character — is not raised by the Petitioner's complaint or addressed in the decisions below.

3. The fact that Respondent has licensed the Josie and Melody characters for use in a live-action film is irrelevant to the copyright analysis. The portrayal of the characters in the film is not the basis for Petitioner's ownership claim. Petitioner's claim rests on his alleged creation of the characters and depiction of them in comic strips and stories. Whether or not the film characters are protectible by copyright is not an issue in this case.

their characters in future artistic works. *Petition* at 8. To the contrary, it guarantees them the exclusive right to control the use of their characters nationwide during the term of copyright, a right that may not be protected or protectible under state law.[4] Petitioner did not lose the opportunity to establish his alleged ownership interest in the characters because that interest arises under copyright law. He forfeited that opportunity because he waited too long to challenge Respondent's ownership of the characters. [A-7–A-8]. (Petitioner has not sought certiorari as to the Second Circuit's holding that his ownership claim is time-barred.)

THE ISSUE OF WHETHER THE COPYRIGHT IN A CHARACTER CAN INCLUDE ELEMENTS OF "PERSONALITY" WAS INCIDENTAL TO THE SECOND CIRCUIT'S DECISION AND IS NOT DISPOSITIVE

The Petition argues that the "personality" of a comic book character is an "intangible attribute" that is not covered by copyright. *Petition* at 2, 14. In the Second Circuit, what a comic book "character thinks, feels, says, and does and the description conveyed by the author through comments of other characters in the work" are aspects of the character that can be protected by copyright, although "the visual impression of the character tends to create a dominant

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4. Nimmer suggests that, in the event that a character is found to be unprotectible under the Copyright Act, the absence of protection should be viewed as "a limitation of rights, within given protectible subject matter, rather than an exclusion of subject matter from federal copyright analysis. Under that analysis, a state law protecting characters *per se* would be pre-empted, unless it contained an additional (and qualitatively different) element, such as passing off." Nimmer On Copyright § 1.01[B][2][e] (2001).

impression." *Warner Bros., Inc. v. American Broadcasting Cos.*, 720 F.2d at 241-42. The Ninth Circuit also considers characters' "developed personalities and particular ways of interacting with one another and their environment" to be protectible expression. *Sid & Marty Krofft Television Productions, Inc. v. McDonald's Corp.*, 562 F.2d 1157, 1169 (9th Cir. 1977); *see also Toho Co., Ltd. v. William Morrow & Co.*, 33 F. Supp. 2d 1206, 1216 (C.D. Cal. 1998); *Metro-Goldwyn-Mayer, Inc. v. American Honda Motor Co.*, 900 F. Supp. 1287, 1298 (C.D. Cal. 1995). Thus, the proposition that the copyright in a comic book character may include distinctive personality traits is not novel or controversial.[5]

Moreover, this issue was not specifically raised by the complaint,[6] was incidental to the Second Circuit's analysis

5. Petitioner argues that this proposition is inconsistent with Copyright Office Circular 44. "Copyright Office circulars are not technical documents, but are 'intended to present simple explanations of the law,' for lay persons." *Whelan Assocs., Inc. v. Jaslow Dental Lab., Inc.*, 797 F.2d 1222, 1242 n.38 (3d Cir. 1986) (quoting Declaration of Arthur J. Levine, former Assistant Chief of the Copyright Office Examining Division). Circular 44 attempts in a single paragraph to convey the distinction between "the idea for the character" and the "expression" of the character in copyrightable works. *See Petition* at 14-15. It does not specifically address the extent to which a character's personality, as delineated in comic strips and stories, can be protected by copyright, nor does it reflect that the Copyright Office would disagree with the Second Circuit's holding in this case.

6. Petitioner's emphasis in the Petition on the characters' personalities is puzzling in light of the undisputed fact that, aside from his claim that he independently created six original *Josie* comic strips (consisting of three to four panels each), Petitioner did not write any of the *Josie* or *Josie and the Pussycats* comic book stories in which the characters' personalities were developed and only illustrated a portion of them. [Record 137, 139, 530-36].

and is not dispositive of the outcome of this case. For these reasons also, it does not warrant review by this Court.

Petitioner's argument incorrectly assumes that, if personality is not protected by the copyright interest in a character, it necessarily is protected by state law. Before analyzing whether the First Cause of Action raises a federal copyright issue, the courts below gave serious consideration to Petitioner's assertion that New York law gives cartoonists a property right in both the tangible and intangible aspects of their creations. Petitioner argued that such a state law property interest was established in *Fisher v. Star Co.*, 132 N.E. 133. [A-5; B-9–B-11]. In well-reasoned analyses, the courts below correctly concluded that *Fisher* established only a claim for passing off, not a proprietary interest stemming from a cartoonist's creation of cartoon characters, and that the First Cause of Action did not state a claim cognizable under New York law. [*Id.*]. This determination of state law does not merit this Court's attention, particularly as the Petition is devoid of any authority for the proposition that character personalities are protected by the law of New York or any other state. *Regents of University of Michigan v. Ewing*, 474 U.S. 214, 224 n.10 (1985).

Warner Bros. does not supply the state law right that Petitioner seeks to invoke. *Warner Bros.* held that the literary character Sam Spade as delineated in *The Maltese Falcon* was not within the area of protection afforded by the copyright in the book. 216 F.2d at 950. However, it did not hold that the author had a property interest in the character under California law. Indeed, it has been suggested that, under *Warner Bros.*, the author of a literary character "is left free to use his character in new stories, but so is everyone else." Kurtz, 1986 Wis. Law Rev. at 455.

In the absence of any state law basis for Petitioner's ownership claim, it was not necessary for the Second Circuit to decide whether such a state law property interest would be preempted by the Copyright Act. That issue was not squarely addressed by the Circuit Court's decision and is not dispositive of this case.

THE COMPLAINT DID NOT ASSERT A CLAIM THAT PETITIONER OWNS THE CHARACTERS' NAMES

Petitioner lists the characters' names as one of the "intangible attributes" protected by state law. *Petition* at 7. Character names can be protected under trademark and unfair competition law. *See, e.g., Wyatt Earp Enterprises, Inc. v. Sackman, Inc.*, 157 F. Supp. 621 (S.D.N.Y. 1958). However, the complaint does not assert that Petitioner owns the characters' names or plead any of the elements of such a claim, such as secondary meaning and likelihood of confusion. *Id.* The issue was not before the courts below, was not decided by them and is not properly raised in the Petition.

THE COURTS BELOW CORRECTLY HELD THAT PETITIONER'S FIRST CAUSE OF ACTION "ARISES UNDER" THE COPYRIGHT ACT

The Petition grossly distorts the decisions below in charging that "the lower courts extended federal jurisdiction to apply to Petitioner's breach of contract claim." *Petition* at 15. The Circuit and District Courts based their exercise of jurisdiction on Petitioner's First Cause of Action which asserts an ownership claim based on authorship, not a breach of contract claim. [A-8; B-9 n.20; B-16]. Petitioner's breach

of contract claims are asserted in his Second and Third Causes of Action which were treated as supplemental state claims. [A-8; B-16; B-19].

Contrary to the Petition, the well-established *T.B. Harms* test for federal jurisdiction in cases involving copyrights does not support Petitioner's attack on jurisdiction. *T.B. Harms Co. v. Eliscu*, 339 F.2d 823 (2d Cir. 1964). Under *T.B. Harms*,

> an action "arises under" the Copyright Act if and only if the complaint is for a remedy expressly granted by the Act, e.g., a suit for infringement or for the statutory royalties for record reproduction, . . . or asserts a claim requiring construction of the Act, . . . or, at the very least and perhaps more doubtfully, presents a case where a distinctive policy of the Act requires that federal principles control the disposition of the claim.

Id. at 828. Applying this test, Judge Friendly held that federal jurisdiction was lacking in *T.B. Harms* because the plaintiff's ownership claim was based on contract — namely, an agreement by the defendant's predecessor to assign his copyright interest to the plaintiff's predecessor. *Id.* at 824-25, 827. Here, however, Petitioner's ownership claim is premised on authorship, not contract. Under *T.B. Harms*, claims of ownership based on authorship arise under the Copyright Act because they seek remedies provided by the Act and require construction of its authorship provisions. *See, e.g.*, *Bassett v. Mashantucket Pequot Tribe*, 204 F.3d 343, 356 n.14 (2d Cir. 2000); *Merchant v. Levy*, 92 F.3d 51, 56 (2d Cir. 1996); *Goodman v. Lee*, 815 F.2d 1030, 1032 (5th Cir. 1987); *Butler v. Continental Airlines, Inc.*, 31 S.W.3d 642, 652 (Tex. App. 2000) (Dismissing non-preempted state

law claims that require "construction of the work for hire provision of the Copyright Act" because they arise under the Copyright Act under *T.B. Harms*).

Petitioner's assertion that the courts below premised federal jurisdiction on his request for "common law damages" and a "constructive trust" similarly misrepresents the record. *Petition* at 17. Petitioner's complaint requests these remedies in connection with his Second through Fifth Causes of Action, not his First Cause of Action, and they were not relied upon by the courts below in determining that the First Cause of Action arises under the Copyright Act. [A-6–A-7; B-13; Record 31-32]. The First Cause of Action seeks a declaratory judgment that Petitioner "is the sole owner of the comic book characters Josie, Melody and Pepper, and has the exclusive right to use or license same for purposes other than comic strips and comic books" and an injunction against Respondent's continued use of the characters other than in its comic books. [Record 31-32]. The Prayer for Relief also requests an accounting of "all gains, profits, revenues and advantages . . . derived from defendant's use or licensing third parties to use plaintiff's creations." [Record 32]. These are copyright remedies being sought to establish and vindicate Petitioner's alleged copyright ownership interest. *See* 17 U.S.C. §§ 501-504 (2001).

Petitioner's assertion that the Second Circuit wrongly applied its *Bassett* test to this case instead of the *T.B. Harms* test makes no sense. The tests are identical. Prior to *Bassett*, in dicta in *Schoenberg v. Shapolsky Publishers*, 971 F.2d 926, 932-33 (2d Cir. 1992), the Second Circuit had articulated a separate test for federal jurisdiction in cases involving "hybrid" actions raising both copyright and contract claims.

In *Bassett*, the Second Circuit repudiated the *Schoenberg* standard and reaffirmed the *T.B. Harms* test:

> [W]e conclude that, for claims of infringement arising from, or in the context of, an alleged contractual breach, this circuit's standard for determining jurisdiction under Section 1338 is furnished by *T.B. Harms*, and not by *Schoenberg*.

Bassett, 204 F.3d at 355. Thus, the *Bassett* and *T.B. Harms* tests are the same.

Moreover, consistent with this Court's holding that original and removal jurisdiction are co-extensive, the Second Circuit correctly held that the *T.B. Harms* test, as reaffirmed in *Bassett*, applies both in cases where the plaintiff seeks federal jurisdiction and in removal cases. *Merrell Dow Pharmaceuticals, Inc. v. Thompson*, 478 U.S. 804, 808 (1986); *Franchise Tax Bd. v. Constr. Laborers Vacation Trust*, 463 U.S. 1, 20 n.18 (1983).

Furthermore, the decisions below are entirely consistent with this Court's jurisprudence regarding the well-pleaded complaint and the master of the complaint rules, and do not raise any novel or controversial issues of law. This Court has held that whether

> a case is one arising under the Constitution or a law or treaty of the United States . . . must be determined from what necessarily appears in the plaintiff's statement of his own claim in the bill or declaration, unaided by anything alleged in

> anticipation of avoidance of defenses which it is thought the defendant may interpose.

Taylor v. Anderson, 234 U.S. 74, 75-76 (1914). Under this rule, as master of the complaint, "[w]here plaintiff's claim involves both a federal ground and a state ground, the plaintiff is free to ignore the federal question and pitch his claim on the state ground to defeat removal." *Travelers Indem. Co. v. Sarkisian*, 794 F.2d 754, 758 (2d Cir. 1986) (internal citations and punctuation omitted).

However, "it is an independent corollary of the well-pleaded complaint rule that a plaintiff may not defeat removal by omitting to plead necessary federal questions in a complaint." *Franchise Tax Bd.*, 463 U.S. at 22. Even though a plaintiff maintains that his cause of action arises under state law, removal is nonetheless allowed if the "claim is 'really' one of federal law." *Id.* at 13. *See also* 15 *Moore's Federal Practice* § 103.43 (2001) ("A plaintiff cannot avoid federal court simply by omitting to plead a necessary federal question in the complaint; in such a case, the necessary federal question will be deemed to be alleged in the complaint").

In this case, Petitioner has pled all of the elements of a federal claim — namely, an ownership claim premised on authorship — but argues that his claim arises under state law. However, there is no state law property right that arises out of authorship of graphic works fixed in a tangible medium of expression. Petitioner's drawings that were "published" in Respondent's comic books prior to 1978 lost their state common law copyright protection through the act of publication, and acquired statutory copyright under the 1909 Copyright Act. *Caliga v. Inter Ocean Newspaper Co.*, 215 U.S. 182, 188 (1909). By virtue of the preemptive effect of

Section 301(a) of the 1976 Copyright Act, Petitioner's drawings that were unpublished as of January 1, 1978, lost their state common law copyright protection and acquired federal statutory copyright on that date. 17 U.S.C. § 301(a). *See Community for Creative Non-Violence v. Reid*, 490 U.S. 730, 740 (1989). Thus, despite Petitioner's efforts at creative labeling, the courts below correctly determined that his First Cause of Action, on its face, seeks recognition and enforcement of a "right . . . claimed under a federal statute." *Puerto Rico v. Russell & Co.*, 288 U.S. 476, 483 (1933).

The application of the artful pleading doctrine to this case "is not a departure from the rule that the plaintiff is master of his complaint. If a plaintiff has pled what must necessarily be a federal claim, he has no state law available to choose as the basis of his suit." *Travelers Indem. Co.*, 794 F.2d at 758; *see also Marcus v. AT&T Corp.*, 138 F.3d 46 (2d Cir. 1998); *Brennan v. Southwest Airlines Co.*, 134 F.3d 1405 (9th Cir. 1998), *amended, reh'g, en banc, denied*, 140 F.3d 849 (9th Cir. Cal. 1998); *Derrico v. Sheehan Emergency Hospital*, 844 F.2d 22 (2d Cir. 1988). In this respect, this case is analogous to cases in which removal has been upheld based on "complete preemption" because complete preemption leaves the plaintiff without any state law claim. *E.g., Metro. Life Ins. Co. v. Taylor*, 481 U.S. 58 (1987). However, unlike the typical complete preemption case, in which, for example, an employee sues under state contract law to recover benefits due to him under a plan regulated by ERISA, Petitioner's First Cause of Action does not assert any recognized state law cause of action. *Id.* Rather, it seeks judicial recognition of a property right that is a creature solely of federal law. As such, on its face, it raises a substantial federal question.

The fact that the complaint does not use the term "copyright" or refer to the Copyright Act is immaterial. The "artful pleading doctrine provides that a plaintiff should not be able to 'frustrate a defendant's right of removal by carefully pleading his case without reference to any federal law.' " *Indeck Me. Energy, L.L.C. v. ISO New Eng. Inc.*, Civil Action No. 00-978-RRM, 2001 U.S. Dist. LEXIS 16439 at *24 (D. Del. Oct. 9, 2001), *quoting* 14B Wright, Miller & Cooper, *Federal Practice and Procedure* § 3722 at 436 (3d ed. 1998); *see also Ayres v. GMC*, 234 F.3d 514, 519 n.7 (11th Cir. 2000) (Plaintiff's complaint was not "well-pleaded" until amended to expressly plead that her "cause of action contains, as an essential element, a federal issue"; removal prior to amendment proper because plaintiff had engaged in artful pleading by concealing federal question); *Burda v. M. Ecker Co.*, 954 F. 2d 434, 438 (7th Cir. 1992).

As the First Circuit has observed, "[t]hough 'that which we call a rose by any other name would smell as sweet,' W. Shakespeare, *Romeo and Juliet* (1595), we must parse causes of action as they are, not as the pleader might fondly wish they were." *Royal v. Leading Edge Products, Inc.*, 833 F.2d 1, 5 (1st Cir. 1987). The "jurisdiction of the federal district courts cannot be manipulated by the simple expedient of creative labeling." *Id., quoting Ferris v. General Dynamics Corp.*, 645 F. Supp. 1354, 1358 (D. R.I. 1986).

Before Petitioner filed his complaint, Respondent alerted him that any copyright ownership claim he might assert would be barred by the statute of limitations. [Record 86-88]. Petitioner's attempt to avoid characterization of his ownership claim as one arising under copyright is motivated by his desire to avoid application of the copyright statute of limitations to it. *See Petition* at 4 n.4. However, Petitioner

cannot have it both ways. If he wishes to avoid federal jurisdiction and the copyright statute of limitations, he cannot assert a property interest in graphically-depicted characters premised on his alleged authorship of them. The federal courts must have the freedom to call a "spade" a "spade." The Second Circuit gave Petitioner's First Cause of Action the only construction to which it is amenable. Nothing in its analysis or decision warrants this Court's attention.

CONCLUSION

The Petition fails to demonstrate any valid ground for review of the decision below and should be denied.

Respectfully submitted,

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